

against older Americans and other individual consumers.

Pharmaceutical manufacturers, not drug stores, appear to be responsible for the discriminatory prices that older Americans pay for prescription drugs. In order to determine whether drug companies or retail pharmacies were responsible for the high prescription drug prices paid by seniors in South Dakota, the study compared average wholesale prices that pharmacies pay for drugs to the prices at which the drugs are sold to consumers. This comparison revealed that the pharmacies in South Dakota appear to have relatively small markups between the prices at which they buy prescription drugs and the prices at which they sell them. The retail prices in South Dakota are actually below the published national Average Wholesale Price, which represents the manufacturers' suggested price to pharmacies. The differential between retail prices and a second indicator of pharmacy costs, the Wholesale Acquisition Cost, which represents the average price pharmacies actually pay for drugs is only 13%. This indicates that it is drug company pricing policies that appear to account for the inflated prices charged to older Americans and other customers.

Mr. JOHNSON. Madam President, the results of the South Dakota study are consistent with studies in other States finding that seniors in South Dakota pay inflated prices for commonly used drugs. In fact, seniors are paying twice the amount per prescription compared to the price the pharmaceutical companies sell their drugs to their favored customers. In fact, we found some individual prescriptions where the price differential was as high as 1,469 percent for the same drug. These price differentials are far higher for prescription drugs than for any other consumer good.

The average price differential for the five top selling prescription drugs for seniors is 121 percent, while the price differential for other items considered daily essentials for the consumer is only 22 percent.

The study also indicates that pharmaceutical manufacturers—not the drugstores, not the pharmacies—appear to be responsible for this huge differential. South Dakota pharmacies have relatively small mark-ups, between the prices at which they buy the drugs and the prices at which they sell them.

The question is, Where do we go from here? There is talk about a Medicare add-on for prescription drugs. I hope we can go down that road. Quite frankly, a bipartisan agreement about how to pay for it and administer it simply has not been reached. In the interim, there are alternatives.

The Prescription Drug Fairness for Seniors Act of 1999, which I have sponsored with Senator KENNEDY, will provide a mandate—without the use of tax dollars, or any new Federal bureaucracy—that the pharmaceutical industry sell prescription drugs at the same price to Medicare beneficiaries as they sell to their favored customers. No more discrimination. If the Prescription Drug Fairness for Seniors Act was enacted, we could reduce the cost of prescription drugs available to seniors by approximately 40 percent. There

would be no bureaucracy, no tax dollars, and a huge benefit for seniors all over America. Our pharmacists would use the existing pharmaceutical distribution system and not create any new bureaucracy.

It is estimated that we will reduce drug prices for seniors by approximately 40 percent. There will be no more devastating choices among groceries, rent, and prescription drug costs.

I am pleased our bill is gaining endorsement and currently has the support of 10 of our colleagues, including Senators DASCHLE, DODD, DORGAN, FEINGOLD, HOLLINGS, INOUE, LEAHY, KERRY, WELLSTONE, and BINGAMAN. Earlier this year, Representatives TOM ALLEN, JIM TURNER, MARION BERRY, and HENRY WAXMAN were joined by 61 of their colleagues when they introduced the House version of this bill, H.R. 664. They have now over 120 cosponsors.

Several organizations endorsed our legislation, some of which include the National Committee to Preserve Social Security and Medicare, TREAS Senior Citizens League, Consumer Federation of America, and Families USA Foundation. Many South Dakota groups have also endorsed our bill, including the South Dakota Coalition of Citizens with Disabilities and the North Central Chapter of the Paralyzed Veterans of America. We now have well over 30 organizations actively supporting this legislation.

Currently, there are several prescription drug proposals in Congress. We ought to have hearings on this issue, and we ought to go forward as aggressively as we can.

Madam President, there is no need to wait. We can act on this now. We can give seniors now the benefit of this 40 percent reduction in prescription drug costs that they deserve and need.

What an irony it is that so many of our seniors wind up not taking their prescription drugs in order to save money and then fall ill with an acute illness and wind up in the emergency room, and then Medicare picks up the tab. Wouldn't it be better if we can find a way to make sure seniors can afford the prescription in the first place to avoid that kind of acute illness, that emergency room visit? The taxpayers will gain, the dignity of the seniors will gain, their physical health will gain. All Americans would be better off with the immediate passage in this Congress of the Prescription Drug Fairness for Seniors Act of 1999.

I yield back such time as may remain.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. What is the situation regarding time?

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, morning business is closed.

The Senate will now resume consideration of Senate Resolution 186 and Senate Resolution 187, which the clerk will report.

Mr. BYRD. Madam President, I ask unanimous consent that I may proceed as in morning business for not to exceed 10 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

#### BUDGET CAPS AND EDUCATION FUNDING

Mr. BYRD. Madam President, shortly we will be debating two resolutions regarding education funding. Though there are differences in the approaches taken in the resolutions, the bottom line is similar—namely, this Senate and this Congress need to support education, and we need to find sufficient funding to meet our obligations to America's students. We need to support our struggling schools as they attempt to provide safe, disciplined environments in which our youth can learn both the fundamentals of history, literature, mathematics, and science, as well as the emerging fields of the next century—computers, satellite communications, advanced electronics and other information technologies that are reshaping the American workplace.

On this bottom line, we all agree. The difficult part in this difficult appropriations cycle is, how do we get there? Our funding levels are too low to meet the administration's request, too low to meet the needs that we can all see and agree need to be met, but we are constrained by a budgetary straightjacket imposed in 1997. All year, I have advocated breaking the budgetary caps in order to meet our most pressing needs, but until that happens, the Appropriations Committee must play the cards it has been dealt. This evening, the Appropriations Subcommittee on Labor, Health and Human Services, and Education, will meet to mark up an appropriations bill that contains funding for education, among other things. When all is said and done, Madam President, I am very proud of the work of our Committee on Appropriations this year. I have served with many great Senators and I have served with a number of great chairmen of the Committee on Appropriations. None has handled their responsibilities any better than has our current Appropriations Committee Chairman, Senator STEVENS of Alaska. He has worked closely with me throughout his tenure as chairman of the committee in as nonpartisan a manner as anyone I have ever worked with. We have handled these very difficult matters as best we could to the benefit of all Senators and for the American people. In so doing, despite these crushing spending caps, we have been able to pass in the Senate most of the appropriations bills. The final bill, namely the Labor-HHS appropriations for FY 2000, will be marked up in subcommittee this evening and, in all